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TAGS: [PGOV](#) [ETRD](#) [PREL](#) [SNAR](#) [YI](#) [EC](#)
SUBJECT: CODEL ENGEL'S MEETING WITH PRESIDENT CORREA

Classified By: Ambassador Linda Jewell for reasons 1.5 (b) and (d)

¶1. (C) Summary: In a wide-ranging, cordial meeting, President Correa received Codel Engel the morning of February ¶18. Codel members stressed their desire to renew Andean trade preferences and the importance of continued US-Ecuadorian cooperation on counter-narcotics initiatives. Correa highlighted GOE,s efforts in this regard and expressed his sincere hope that the preferences would be extended. Correa echoed the Codel,s desire for a continuation in good relations between the USG and GOE and affirmed his commitment to judicial reform and counter-narcotics. Discussion also touched on the future of the Manta FOL, Northern Border efforts and the FARC, relations with Chavez and Iran, and pending investment disputes. Correa promised Codel members that GOE would honor the arbitral award due to Occidental Petroleum. Representative Engel raised the situation in Kosovo and Correa assured him that GOE would recognize Kosovo,s independence. End Summary.

Commitment to ATPA

¶2. (SBU) Codel Engel met with President Correa the morning of February 18 at the Presidential Palace. Switching back and forth between English and Spanish, Correa was in good spirits throughout the hour-long meeting, extending a warm welcome to the group and clearly pleased that the delegation had chosen to visit Ecuador. Correa was accompanied by Foreign Minister Salvador and Vice Foreign Minister Valencia.

¶3. (C) Correa opened by stressing the importance of the bilateral commercial relationship, affirmed his country,s commitment to the global struggle against narco-trafficking, and expressed his appreciation to the U.S. for its support of Ecuador with development assistance. Engel responded that, just as Correa was a new president, he was relatively new in his role as Chairman of the Western Hemisphere Subcommittee, and he had been eager to make this trip and have the opportunity to meet personally. He said he felt they shared many of the same goals, especially a concern for social justice, and that he was committed to working in partnership with Ecuador and strengthening the relationship. He noted that the U.S. Congress was a co-equal branch of the U.S. government, making it especially important that delegations like this one travel and have the opportunity to engage foreign leaders directly.

¶4. (C) Correa noted the pragmatic and honest nature of the American people, and said he believed that as President he was doing &the same thing that any American faced with a similar situation would do,8 which is focus on battling

corruption, injustice and inefficiency in Ecuadorian government and society. He said that what in Ecuador is sometimes viewed as &revolutionary,8 matters as basic as paying taxes, are things that developed countries like the U.S. and Europe take for granted as a matter of course.

15. (C) Correa asked that his personal appreciation be passed to Chairman Rangel for his strong support of long-term renewal for Andean Trade Preferences (ATPA). Engel responded that all of the members of the bipartisan delegation were supporting extension, and agreed that it was important and positive for both countries. He noted that there were some differences in the U.S. Congress about appropriate length, and also with respect to investment concerns, but that he was personally committed to the program and would seek to extend even beyond the ten-month period agreed to last week by the House Ways and Means Committee.

16. (C) Correa said that his government had a different view of ATPDEA than some in the U.S., who regard the program as a unilateral concession. Correa believes that it is an earned compensation for Ecuador,s very strong efforts on counter-narcotics, an effort to which the country is historically and unshakably committed. He argued that Ecuador has the strongest record in the region on counter-narcotics, noting with special pride the almost complete absence of coca cultivation. He also stressed the important contribution that ATPDEA makes to job creation in Ecuador, accounting for some 350,000 jobs in the licit agricultural sector. He said that if it were to go away there would be a real risk that many of those people would be drawn to illicit options, something clearly in the interest of both countries to avoid.

17. (C) Representative Weller, the ranking minority member of the delegation, reaffirmed that the delegation was here in the spirit of bipartisan cooperation. He expressed admiration for Correa,s commitment to social justice and inclusion. He thanked Correa for his strong partnership on counter-narcotics, and for his firm commitment to securing Ecuador,s Northern Border. Weller explained that the group had been impressed with its visit the previous day to communities north of Quito, where they had the opportunity to meet personally with small agricultural producers who have benefited from ATPDEA as well as USAID alternative development programs. Weller noted that there is concern among some in Congress about the binational commercial disputes that the Correa government inherited, and that he hoped Correa would pursue a constructive approach toward resolving those issues. Finally, Rep. Weller mentioned the bilateral agreement providing for the U.S. Forward Operating Location (FOL) in Manta, currently scheduled to expire in 2009, and said he hoped that the countries might be able to find a mutually beneficial and acceptable way to continue that cooperation.

The Northern Border

18. (C) Correa followed up the reference to Northern Border efforts with an explanation of Ecuador,s approach, based on strengthening &human security8 through both developmental and security improvements. He thanked the U.S. for its support of those efforts. Touching on the FARC, Correa said that Ecuador would condemn human rights abuses such as the holding of hostages, and would maintain a zero tolerance policy with respect to any armed illegal groups on Ecuadorian soil. He said that he would maintain Ecuador,s long-standing policy of declaring the FARC neither a terrorist organization nor a belligerent group (the latter because they do not follow the requirements of the Geneva Convention) consistent with Ecuador,s policy of non-intervention in Colombia,s internal conflict.

A Future for Manta?

19. (C) With respect to Manta, Correa sought to make clear

that the country,s commitment to counter-narcotics was &unconditional,8 but that the specific issue of the Manta FOL involved sovereignty principles that made renewal difficult. He said that Ecuador would respect the treaty through its conclusion, but sought a future in which the task of vigilance and surveillance of Ecuadorian territory would be performed by Ecuadorians. Pressed on the matter again later in the discussion, he said &we can talk,8 but steered the discussion into an explanation of his vision of leveraging the potential of Manta,s deep water port and airport into a gateway into Latin American markets, especially from the Far East.

¶10. (C) Representative Hinchey framed counter-narcotics as a shared problem, and noted that the U.S. recognized the need to do its part as well by focusing on its own internal demand. He said that maintaining and growing the trade relationship clearly helped both countries. Hinchey praised Correa,s leadership, to which Correa replied &hopefully we will build institutionality in this country so that ultimately it will be able to lead itself.8

Oxidental Petroleum and The Rule of Law

¶11. (C) Rep Green. stressed the importance of building strong checks and balances into Ecuador,s new constitutional framework. Noting that his Houston-based congressional district made him especially interested in the energy sector, he thanked President Correa for his commitment to honor the arbitral award recently handed down in favor of Occidental Petroleum (Oxy) with respect to disputed value added taxes. He also stressed the importance of both governments, maintaining a neutral public stance with respect to Chevron,s ongoing litigation, so as to preserve the impartiality of that judicial process.

¶12. (C) Correa responded by asserting that Ecuador,s entire justice system needed to be rebuilt, as a strong and independent branch of government rather than an instrument for benefiting certain groups. He urged the members not to view cases such as Oxy as signals of an anti-investment climate. He said that the previous Ecuadorian government,s decision to cancel Oxy,s contract based on alleged violations was nothing more than an assertion of the principle of rule of law, comparing it to actions taken by the U.S. government domestically in response to infractions committed by the Enron corporation. He reaffirmed that the GOE would honor the arbitral award with respect to the earlier Oxy case. On Chevron, he agreed that it was important to maintain impartiality with respect to the judicial process, and pledged that there would not be any GOE interference. At the same time, he said that as a person and as President, he was obliged to show sympathy and solidarity with the Amazonian community that has suffered.

¶13. (SBU) Rep. Foxx noted that she represented the most conservative district of the delegation, and that among her community there was controversy about the value of U.S. foreign assistance. But she said she had been very impressed to see the benefits of some of those programs in Ecuador at the very grassroots level. With respect to rule of law, she said she felt it was the most important foundation for national success, in the U.S. and elsewhere. She stressed the importance of building strong institutions, focusing on justice for all, and robust checks and balances. She added that the Oxy case did indeed send a strong signal with respect to whether investors can be treated well and fairly in Ecuador.

¶14. (C) Correa responded good-naturedly that he does not know how he would be categorized if he were a politician in the U.S. context, given that he shared Rep. Foxx,s strong moral conservatism informed by his own Catholic faith, something more in tune generally with Republicans, but regarded himself as an &economic progressive8 more in tune on those issues with Democrats. He proceeded to stress again the importance he placed on justice reform and outlined some

of the key initiatives his government was pursuing. He also said that some accused him of wanting to accumulate personal power, but he said that his only goal was to use that power to bring changes that help the people. Correa also made an appeal for help from the USG with respect to Ecuadorian efforts to extradite the bankers who fled Ecuador after the 1999 currency crisis and have taken refuge in the U.S.

Ecuadorian Foreign Policy

¶15. (C) Rep. Engel raised the issue of Ecuador,s relations with countries such as Venezuela and Iran. He said that the country,s relationship with Chavez was a matter for Ecuador to decide but he hoped that it would not have any bearing on Ecuador,s continued friendship with the U.S. Engel expressed special concern about Iran, wondering exactly why Chavez was promoting Iran,s presence in the region so aggressively, and urging Ecuador to approach that relationship with caution.

¶16. (C) Correa responded with an assurance that Ecuadorian foreign policy is &by and for Ecuadorians, and no one else.⁸ He reiterated his commitment to friendship with the U.S. and rejected the association that some have made (and he cited a recently published DNI report as an example) of Ecuador with the &axis⁸ of countries such as Venezuela, Bolivia and Nicaragua. He said that he valued his friendship with Chavez, but no more than he values his friendship with figures such as Lula, and even Uribe, whom he admires in spite of some policy differences. On Iran, he said it is an oil producing country of 80 million people and the only GOE interest is in a commercial relationship. He saw important potential with respect to boosting Ecuadorian exports of commodities like bananas and rice, but had no interest in broader geo-political considerations whatsoever. He noted that Ecuador was merely opening a commercial office with Iran, not full diplomatic relations. He quipped, &Colombia has an Iranian Embassy, but I don,t think anyone believes they are part of the axis of evil.,⁸

¶17. (C) Rep Engel closed with a special message on Kosovo, noting his long-standing advocacy on behalf of that people and the important moment underway as Kosovo establishes itself as an independent nation. Correa responded that he had instructed his Foreign Minister to grant recognition of the new nation.

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